

2/7/80

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DEPARTMENT OF STATE

DELIVERED DIRECTLY TO
NOT REVIEWED BY S/S

BRIEFING MEMORANDUM

8002817

UNCLASSIFIED

RECEIVED IN HAL FEB 9 1980 R

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TO: T - Mr. Nimecz

FROM: PM - Daniel A. O'Donohue

SUBJECT: Arms Exports to Argentina

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The following is provided in response to statements made to you by Curtiss Wright representatives that commercial J-65 engine cases for Argentina were not approved prior to the embargo while the same engines were provided under FMS after the embargo.

An August 4, 1977 amendment to section 620(B) of the Foreign Assistance Act provided that after September 30, 1978 "no export licenses may be issued under section 33 of the Arms Export Control Act to or for the Government of Argentina." In early 1978, all pending and new commercial munitions, FMS and Department of Commerce export applications for Argentina were referred to "D" and all actions on them were based on directions from that office. Relatively few cases were approved, some were denied and the majority were deferred. Most A-4 aircraft items were denied or deferred and the few approvals involved safety of flight items. Among those deferred were four Curtiss Wright applications received in June and July of 1978 for export of approximately \$29.4 million worth of J-65 engines and engine spares for Argentine A-4 aircraft. Following the imposition of the embargo on September 30, 1978, PM/MC returned without action some 230 applications (including the four from Curtiss Wright) valued at over \$100 million. The text of the letter returning these cases to applicants was provided by "D". (Ccopy at Tab 1).

With respect to FMS, the Department informed Embassy Buenos Aires by message (Tab 2) dated August 31, 1978 that:

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GDS 2/8/86

LOT 82D177

BOX 8114 (2/21)

ARGENTINA PROJECT (S30000044)

U.S. DEPT. OF STATE, A/R/S/TS

Margaret P. Grafford, Director

Release () Excise () Deny

Exemption(s):

Declassify: () In Part (X) In Full

() Classify as () Extend as () Downgrade to

Date Declassify on Reason

Argentina